

FIRESTONE CHARTER ACADEMY

BASIC FINANCIAL STATEMENTS

June 30, 2023

TABLE OF CONTENTS

	PAGE
Independent Auditors' Report	
Management's Discussion and Analysis	i -viii
Basic Financial Statements	
Statement of Net Position	1
Statement of Activities	2
Balance Sheet – Governmental Funds	3
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	4
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	5
Notes to the Financial Statements	6 – 39
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund	40
Schedule of the School's Proportionate Share	41
Schedule of the School's Proportionate Share of OPEB	42
Schedule of the School's Contributions	43
Schedule of the School's OPEB Contributions	44
Combining Schedules	
Combining Balance Sheet	44
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – General Fund	45



JOHN CUTLER & ASSOCIATES

Board of Directors
Firestone Charter Academy
Firestone, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund, of Firestone Charter Academy (the "Academy") as of and for the year ended June 30, 2023, a component unit of St. Vrain Valley School District, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Firestone Charter Academy as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Firestone Charter Academy and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Academy's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures of the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Academy's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Academy's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required budgetary and pension information on pages 40-44 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining schedules as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The combining schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

John Cutler & Associates, LLC

November 7, 2023



Management’s Discussion and Analysis – Fiscal Year 2022-2023

As management of Firestone Charter Academy (hereinafter the school), we offer readers of the school’s financial statements this narrative overview and analysis of the financial activities of the school for the fiscal year ended June 30, 2023.

Financial Highlights

The year ended June 30, 2023 is the 15th year of operations for the School. Beginning with the fiscal year ended June 30, 2015 (restated), the school implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions, which requires the school to include its proportional share of net pension liability in the financial statements. For more information on the implementation of GASB 68, please refer to Note 6 in the Notes to the Financial Statements.

As of June 30, 2023, the school’s net position increased to (\$3,694,119) based on the implementation of new regulations under the Governmental Accounting Standards Board Statement (GASB) Number 68.

At the close of the fiscal year the School’s General Fund ending balance was \$4,597,511, an increase of \$428,720 from the prior year. The Building Corp. Fund reported an ending balance of \$846,633, an increase of \$229,224 from the prior year.

ISF Building Corporation was formed in Fiscal year 2019-2020 to assist in the financing and construction of the school’s facilities. In that same year, the Building Corporation received bond proceeds in the amount of \$17,695,000. Cash in the amount of \$846,633 has been restricted in the Building Corporation Fund for payment of the debt service expenses in FY23.

Overview of Financial Statements

This discussion and analysis are intended to serve as an introduction to the school’s basic financial statements. The school’s basic financial statements are comprised of two components: 1) government-wide financial statements and 2) notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the school’s finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the school's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the school is improving or deteriorating.

The statement of activities presents information showing how the school's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected grant expenses and earned but unpaid salary and benefits).

The government-wide statement of activities distinguishes functions/programs of the school supported primarily by per pupil operating revenue (PPR) or other revenue passed through from the District (St. Vrain Valley RE-1J). The governmental activities of the school include instruction and supporting services expense.

The government-wide financial statements can be found on pages 1-5 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The school, like other governmental units or charter schools, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the school are categorized as governmental funds.

Governmental Funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the school's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the school's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The school maintains three individual governmental funds, however all funds are presented in one financial statement covering all funds. The Building Corporation accounts for one of those funds as 'Building Corporation', the school accounts for the other two as 'General Fund'.

The school adopts an annual appropriated budget for its funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the budget.

Notes to the financial statements.

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. This information is provided on pages 6-36.

Government-wide Financial Analysis - Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of the school’s financial position. In the case of the school, liabilities exceeded assets resulting in a Net Position of (\$3,694,119) in FY2022-2023. As in each year since FY18, this is **directly related** to the new pension liability reporting requirement under GASB 68 and does not represent a claim on current financial resources.

	Governmental Activities June 30, 2023	Governmental Activities June 30, 2022
ASSETS		
Cash and Investments	4,967,492	4,114,383
Restricted Cash & Investments	846,633	617,409
Accounts Receivable	12,627	56,233
Due from District	0	315,661
Prepaid Expenses	33,405	18,519
Capital Assets, Not Depreciated	99,677	371,873
Capital Assets, Depreciated	15,204,224	15,002,516
Total Assets	21,161,058	20,496,594
DEFERRED OUTFLOW OF RESOURCES		
Related to Pensions	1,748,669	887,807
Related to OPEB	57,498	34,730
Total Deferred Outflow of Resources	1,806,167	922,537
LIABILITIES		
Accounts Payable	40,176	6,815
Due to District	12,221	50,482
Accrued Salaries/Benefits	255,902	222,952
Accrued Interest	66,750	82,577
Deferred Revenues	104,714	55,756
Non-Current Liabilities:		
Due in One Year	350,000	
Due in More than One Year	17,345,000	17,695,000
Net Pension Liability	7,233,791	5,175,821
Net OPEB Liability	246,458	250,409
Total Liabilities	25,655,012	23,539,812
DEFERRED INFLOWS OF RESOURCES		
Related to pensions	830,625	2,506,352
Related to OPEB	175,707	88,457
Total Deferred Inflows of Resources	1,006,332	2,594,809
NET POSITION		
Invested in Capital Assets, Net of Related Debt	(1,194,466)	(1,703,202)
Restricted for Emergencies (TABOR)	233,200	230,800
Unrestricted	(2,732,853)	(3,243,088)
Total Net Assets	(3,694,119)	(4,715,490)

The largest portions of the school’s assets are in Capital Assets (72%) and Cash and Investments (27%). The school’s net assets increased in 2023 by \$664,464.

School Statement of Activities
For the Years Ended June 30, 2022 and June 30, 2023

	Governmental Activities <u>June 30, 2023</u>	Governmental Activities <u>June 30, 2022</u>
Program Revenue:		
Charges for Services (tuition)	631,640	431,106
Operating Grants & Contributions (READ/PERA/CRF/ESSER, etc)	346,137	839,321
Capital Grants and Contributions	<u>222,000</u>	<u>284,074</u>
Total Program Revenue	<u>1,199,777</u>	<u>1,554,501</u>
General Revenue:		
Per Pupil Operating Revenue	5,809,113	5,459,407
Taxes (Mill Levy Override)	1,266,495	1,059,222
Unrestricted State Aid	179,758	127,250
Other (Misc, Fundraisers, Donations)	23,763	598,778
Capital Contributions from SVVSD		
Total General Revenue	<u>7,279,129</u>	<u>7,244,657</u>
Expenses (include pension related items):		
Current:		
Instruction	4,097,402	2,909,204
Supporting Services	2,574,960	3,185,480
Interest on Long Term Debt	785,173	796,412
Total Expenses	<u>7,457,535</u>	<u>6,891,096</u>
Increase (Decrease) in Net Position	1,021,371	1,908,062
Beginning Net Position	<u>(4,715,490)</u>	<u>(6,623,552)</u>
Ending Net Position	<u><u>(3,694,119)</u></u>	<u><u>(4,715,490)</u></u>

The largest portion of the school's revenue came from per pupil revenue: 71% in FY23.

Financial Analysis of the Government's Funds

As noted earlier, the school utilizes fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds. The focus of the school's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing The School's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the school's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal year FY23, the school's general fund reported an ending fund balance of \$4,597,511, an increase of \$428,720 from the prior year. Total Per Pupil Revenue increased by \$347,706 over the prior year, which is reflective of primarily an increase in Per Pupil Revenue rather than in enrollment.

The school's enrollment remained essentially the same as last year. Below are the historical enrollment numbers:

Fiscal Year	Enrollment
2010 / 2011	566
2011 / 2012	588
2012 / 2013	629
2013 / 2014	600
2014 / 2015	606
2015 / 2016	551
2016 / 2017	534
2017 / 2018	506
2018 / 2019	532
2019 / 2020	584
2020 / 2021	614
2021 / 2022	615
2022 / 2023	618

General Fund Budgetary Highlights

The school approves a budget in April based on enrollment projections for the following school year. In December after enrollment stabilizes, adjustments are made to the budget. The school approved an Amended budget in December to true up the beginning fund balance and adjust to the actual student count. The FY23 Amended budget included using reserves, however actual expenditures were less than budgeted expenditures, allowing the school to add \$428,720 to reserves.

Capital Asset and Debt Administration

Capital Assets.

The school did not have any investment in capital assets as of June 30, 2023. The school leases its building from the Building Corporation.

ISF Building Corporation received bond proceeds in the amount of \$17,695,000 in FY20 and purchased the school building. Cash in the amount of \$846,633 has been restricted in the Building Corporation Fund for payment of the debt service expenses.

Long-Term Debt.

In fiscal year 2019-2020, ISF Building Corporation took on long-term debt in the amount of \$17,695,000 in support of the building purchase project. Repayment was structured as interest-only through most of FY23, repayment of principal began in late FY23.

Economic Factors and Next Year’s Budget

In November of 2000 voters in Colorado approved a provision to the Colorado constitution providing that K-12 funding would increase at pupil growth, plus inflation, plus 1% for 10 years and thereafter, growth plus inflation. This provision was thought to stabilize the school finance act and remove funding from the political process. However, with the downturn in the economy and state shortfalls the school finance act was not exempt from budget cuts. Funding for FY 2011/2012 was adjusted downward by approximately \$336 per student because of those cuts, subsequent years trended upward.

In early 2020, the COVID-19 pandemic struck, significantly impacting the Colorado economy and the school reduced budgeted expenses and revenues in anticipation of funding cuts. The revenue for 2020-2021 was reduced by 5.7% from the prior year, however additional anticipated cuts have not occurred. The Colorado economy is having a strong recovery, and school funding for the 2022-2023 school year increased by apx. 7% over the 2020-2021 school year.

Prior to COVID, funding had been trending slightly upward from FY12 through FY20. Funding in FY21 was reduced to offset the economic impacts of the pandemic. Subsequent to FY21, Colorado has been able to restore funding to above pre-COVID levels. See the table below for gross annual Per Pupil Revenue. Per Statute, the local school district may retain up to 5% of this amount for specific expenditures.

Fiscal Year	PPR
2010 / 2011	\$6663
2011 / 2012	\$6327
2012 / 2013	\$6332
2013 / 2014	\$6506
2014 / 2015	\$6898
2015 / 2016	\$7122
2016 / 2017	\$7223
2017 / 2018	\$7496
2018 / 2019	\$7916
2019 / 2020	\$8272
2020 / 2021	\$7844
2021 / 2022	\$8670
2022 / 2023	\$9347

The FY 2022/2023 budget projected that the school's general fund balance would show a decrease, which the school was able to mitigate with aggressive cost controls, use of stimulus funds, and receiving several additional grants.

The Initial FY23/24 budget does not project use of the school's reserve, though the addition of an office modular was not anticipated at the time of budget preparation and will impact the budget. The school plans to again employ aggressive cost controls to avoid spending additional reserves. The school is actively engaged in marketing activities in an effort to increase enrollment for FY24 and beyond.

COVID-19. As a result of the COVID pandemic and ongoing inflation, economic uncertainties may have economic implications on the financial position, results of operations and cash flows of the school.

Requests for Information

This financial report is designed to provide a general overview for all those with an interest in the School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Lori Olson, Finance Director
Firestone Charter Academy
5753 Twilight Avenue
Firestone, CO 80504

BASIC FINANCIAL STATEMENTS

FIRESTONE CHARTER ACADEMY

STATEMENT OF NET POSITION

As of June 30, 2023

	Governmental Activities	
	2023	2022
ASSETS		
Cash and Investments	\$ 4,964,492	\$ 4,114,383
Restricted Cash and Investments	846,633	617,409
Accounts Receivable	12,627	56,233
Due from District	-	315,661
Prepaid Expenses	33,405	18,519
Capital Assets, not Depreciated	99,677	371,873
Capital Assets, Depreciated	15,204,224	15,002,516
TOTAL ASSETS	21,161,058	20,496,594
DEFERRED OUTFLOWS OF RESOURCES		
Related to Pensions	1,748,669	887,807
Related to OPEB	57,498	34,730
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,806,167	922,537
LIABILITIES		
Accounts Payable	40,176	6,815
Accrued Salaries and Benefits	255,902	222,952
Accrued Interest	66,750	82,577
Due to District	12,221	50,482
Unearned Revenues	104,714	55,756
Noncurrent Liabilities		
Due in One Year	350,000	-
Due in More Than One Year	17,345,000	17,695,000
Net Pension Liability	7,233,791	5,175,821
Net OPEB Liability	246,458	250,409
TOTAL LIABILITIES	25,655,012	23,539,812
DEFERRED INFLOWS OF RESOURCES		
Related to Pensions	830,625	2,506,352
Related to OPEB	175,707	88,457
TOTAL DEFERRED INFLOWS OF RESOURCES	1,006,332	2,594,809
NET POSITION		
Invested in Capital Assets, Net of Related Debt	(1,194,466)	(1,703,202)
Restricted for Emergencies	233,200	230,800
Unrestricted	(2,732,853)	(3,243,088)
TOTAL NET POSITION	\$ (3,694,119)	\$ (4,715,490)

The accompanying notes are an integral part of the financial statements.

FIRESTONE CHARTER ACADEMY

STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

FUNCTIONS/PROGRAMS	Expenses	PROGRAM REVENUES			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
					2023	2022
PRIMARY GOVERNMENT						
Governmental Activities						
Instructional	\$ 4,097,402	\$ 631,640	\$ 346,137	\$ -	\$ (3,119,625)	\$ (1,638,777)
Supporting Services	2,574,960	-	-	222,000	(2,352,960)	(2,901,406)
Interest on Long-term Deb	785,173	-	-	-	(785,173)	(796,412)
Total Governmental Activities	<u>\$ 7,457,535</u>	<u>\$ 631,640</u>	<u>\$ 346,137</u>	<u>\$ 222,000</u>	(6,257,758)	(5,336,595)
GENERAL REVENUES						
					5,809,113	5,459,407
Per Pupil Revenue					1,266,495	1,059,222
Taxes					179,758	127,250
Unrestricted State Aid					23,763	598,778
Other						
TOTAL GENERAL REVENUES					<u>7,279,129</u>	<u>7,244,657</u>
CHANGE IN NET POSITION					1,021,371	1,908,062
NET POSITION, Beginning					<u>(4,715,490)</u>	<u>(6,623,552)</u>
NET POSITION, Ending					<u>\$ (3,694,119)</u>	<u>\$ (4,715,490)</u>

The accompanying notes are an integral part of the financial statements.

FIRESTONE CHARTER ACADEMY

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	General Fund	Building Corporation	TOTAL	
			2023	2022
ASSETS				
Cash and Investments	\$ 4,964,492	\$ -	\$ 4,964,492	\$ 4,114,383
Restricted Cash and Investments	-	846,633	846,633	617,409
Accounts Receivable	12,627	-	12,627	56,233
Due from District	-	-	-	315,661
Prepaid Expenses	33,405	-	33,405	18,519
	<u>\$ 5,010,524</u>	<u>\$ 846,633</u>	<u>\$ 5,857,157</u>	<u>\$ 5,122,205</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 40,176	\$ -	\$ 40,176	\$ 6,815
Accrued Salaries and Benefits	255,902	-	255,902	222,952
Due to the District	12,221	-	12,221	50,482
Unearned Revenues	104,714	-	104,714	55,756
	<u>413,013</u>	<u>-</u>	<u>413,013</u>	<u>336,005</u>
FUND BALANCES				
Nonspendable	33,405	-	33,405	18,519
Restricted for Emergencies	233,200	-	233,200	230,800
Restricted for Debt Service	-	846,633	846,633	617,409
Unassigned	4,330,906	-	4,330,906	3,919,472
	<u>4,597,511</u>	<u>846,633</u>	<u>5,444,144</u>	<u>4,786,200</u>
TOTAL FUND BALANCES	<u>4,597,511</u>	<u>846,633</u>	<u>5,444,144</u>	<u>4,786,200</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,010,524</u>	<u>\$ 846,633</u>		

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.

15,303,901 15,374,389

Long-term liabilities and related assets are not due and payable in the current period and, therefore, are not reported in the funds. This liability includes net pension liability (\$7,233,791), net OPEB liability (\$246,458), deferred outflows related to pensions \$1,748,669, deferred outflows related to OPEB \$57,498, deferred inflows related to pensions (\$830,625), deferred inflows related to OPEB (\$175,707), bonds payable of (\$17,695,000) and accrued interest of (\$66,750).

(24,442,164) (24,876,079)

Net Position of governmental funds

\$ (3,694,119) \$ (4,715,490)

The accompanying notes are an integral part of the financial statements.

FIRESTONE CHARTER ACADEMY

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2023

	General Fund	Building Corporation	TOTAL	
			2023	2022
REVENUES				
Local Sources	\$ 7,770,997	\$ 1,031,913	\$ 8,802,910	\$ 8,523,025
State Sources	479,203	-	479,203	439,931
Federal Sources	48,948	-	48,948	534,255
	8,299,148	1,031,913	9,331,061	9,497,211
TOTAL REVENUES				
EXPENDITURES				
Current				
Instruction	4,285,631	-	4,285,631	3,858,790
Supporting Services	3,584,797	1,689	3,586,486	3,851,393
Debt Service				
Principal	-	-	-	-
Interest	-	801,000	801,000	801,000
	7,870,428	802,689	8,673,117	8,511,183
TOTAL EXPENDITURES				
NET CHANGE IN FUND BALANCES	428,720	229,224	657,944	986,028
FUND BALANCES, Beginning	4,168,791	617,409	4,786,200	3,800,172
FUND BALANCES, Ending	\$ 4,597,511	\$ 846,633	\$ 5,444,144	\$ 4,786,200

The accompanying notes are an integral part of the financial statements.

FIRESTONE CHARTER ACADEMY

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 657,944
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount depreciation expense (\$584,682) exceeded capital outlay \$514,194 for the year.	(70,488)
Repayment of long-term principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the change in accrued interest.	15,827
Deferred Charges related to pensions are not recognized in the governmental funds. However, for the government-wide funds those amounts are capitalized and amortized.	<u>418,088</u>
Change in net position of governmental activities	<u><u>\$ 1,021,371</u></u>

The accompanying notes are an integral part of the financial statements.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Firestone Charter Academy (the “Academy”) was formed in June 2008, pursuant to the Colorado Charter Schools Act to form and operate a charter school. The School’s focus is to provide a Core-Knowledge curriculum that encourages students to become well-educated, virtuous citizens who will embody the following attributes: Competence, Curiosity, Courage, Conscience, Compassion, and Citizenship.

Reporting Entity

The financial reporting entity consists of the Academy and organizations for which the Academy is financially accountable. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the Academy. In addition, any legally separate organizations for which the Academy is financially accountable are considered part of the reporting entity. Financial accountability exists if the Academy appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on the Academy.

Based upon the application of these criteria, the following organization should be included in the Academy’s reporting entity:

ISF Building Corporation

The ISF Building Corporation. (“Corporation”) is considered to be financially accountable to the Academy. The purpose of the Corporation is to provide a mechanism to issue and pay debt on behalf of the Academy. The Corporation is considered to be part of the Academy for financial reporting purposes because its resources are entirely for the direct benefit of the Academy and is blended into the Academy’s financial statements a special revenue fund. Separate financial statements are not available.

The Academy is a component unit of the St. Vrain Valley School District (the “District”).

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of Net Position and the statement of activities) report information on all of the activities of the Academy. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported in a single column.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

Program revenues include 1) charges to students or others who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Unrestricted intergovernmental revenues not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported in separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period, not to exceed 60 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Intergovernmental revenues, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Academy.

Internally dedicated resources are reported as general revenues rather than as program revenues.

When both restricted and unrestricted resources are available for use, it is the Academy's policy to use restricted resources first and the unrestricted resources as they are needed.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Balance/Net Position

The Academy reports the following major governmental funds:

General Fund – This fund is the general operating fund of the Academy. It is used to account for all financial resources except those required to be accounted for in another fund.

Building Corporation Fund – This fund accounts for the activity of the ISF Building Corporation.

Capital Assets – Capital assets, which include property and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Academy as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Depreciation of exhaustible capital assets is charged as an expense against operations, and accumulated depreciation is reported on the statement of net position in the government-wide financial statements. Depreciation is taken on the building on a straight line basis over 30 years..

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Unearned Revenues – Unearned revenues include tuition payments that have been collected for the following school year.

Net Position – The government-wide fund financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted. Investment in capital assets is intended to reflect the portion of net position which is associated with non-liquid, capital assets less outstanding capital asset related debt.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Balance/Net Position (Continued)

The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost. Restricted net position is liquid assets, which have third party limitations on their use. Unrestricted net position represents assets that do not have any third party limitations on their use.

Fund Balance Classification – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Academy is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. The Academy considers prepaid expenses to be nonspendable.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Academy has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Academy did not have any committed resources as of June 30, 2023.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The Academy would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Academy's financial position and operations. However, complete comparative data in accordance with generally accepted accounting principles has not been presented since its inclusion would make the financial statements unduly complex and difficult to read.

Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

A budget is adopted for General Fund on a basis consistent with generally accepted accounting principles.

Academy management submits to the Board of Directors a proposed budget for the fiscal year commencing the following July 1. The budget is adopted by the Board of Directors prior to June 30. Expenditures may not legally exceed appropriations at the fund level. Revisions must be approved by the Board of Directors. The budget includes proposed expenditures and the means of financing them. All appropriations lapse at fiscal year end.

NOTE 3: CASH AND INVESTMENTS

Cash and Investments at June 30, 2023 consisted of the following:

Deposits	\$ 2,955,599
Investments	<u>2,855,526</u>
Total	<u>\$ 5,811,125</u>

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 3: CASH AND INVESTMENTS (Continued)

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At June 30, 2023, State regulatory commissioners have indicated that all financial institutions holding deposits for the Academy are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held.

The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The Academy has no policy regarding custodial credit risk for deposits.

At June 30, 2023, the Academy had deposits with financial institutions with a carrying amount of \$2,955,559. The bank balances with the financial institutions were \$3,048,510. Of these balances, \$250,000 was covered by federal depository insurance and \$2,798,510 was covered by collateral held by authorized escrow agents in the financial institution's name (PDPA).

Investments

Interest Rate Risk

The Academy does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Colorado statutes specify in which instruments units of local government may invest, which include:

- Obligations of the United States and certain U.S. Government Agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 3: *CASH AND INVESTMENTS* (Continued)

Local Government Investment Pools

The Academy had invested \$846,633 in the Colorado Surplus Asset Fund Trust (CSAFE) an investment vehicle established for local government entities in Colorado pursuant to Title 24, Article 75, Part 7 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. The State Securities Commissioner administers and enforces the requirements of creating and operating the Pools. CSAFE reports its underlying investments at amortized cost and is considered a qualifying external investment pool under GASB Statement 79. CSAFE operates similar to money market funds where each share is equal in value to \$1.00. The fair value of the position in the pools is the same as the value of the pooled shares.

CSAFE is rated AAAM by Standard and Poor's. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities are owned by the pools and held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pools. Investments of the pools comply with state statutes, consisting of U.S. Treasury bills, notes and note strips, repurchase agreements, U.S. Instrumentalities, Commercial Paper, Bank Deposits and Money Market Funds. CSAFE does not have any limitations or restrictions on participant withdrawals.

The Academy had invested \$2,008,893 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

Fair Value

The Academy categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 3: CASH AND INVESTMENTS (Continued)

Fair Value (Continued)

Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant observable inputs. As of June 30, 2023, the Academy does not hold investments subject to these inputs. The Academy has no policy for managing credit risk or interest rate risk.

Restricted Cash

Cash and investments in the amount of \$846,633 are restricted for debt service.

NOTE 4: CAPITAL ASSETS

Capital Assets activity for the year ended June 30, 2023 is summarized below.

	Balance <u>June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2023</u>
Governmental Activities				
Capital assets, Not Depreciated				
Construction in Progress	\$ 371,873	\$ 99,677	\$ 371,873	\$ 99,677
Capital Assets, Being Depreciated				
Buildings	16,045,000	698,186	-	16,743,186
Improvements	-	88,204	-	88,204
Equipment	45,302	-	\$ -	45,302
Total Capital Assets, Depreciated	<u>16,090,302</u>	<u>786,390</u>	<u>-</u>	<u>16,876,692</u>
Accumulated Depreciation				
Buildings	1,069,666	569,742	-	1,639,408
Improvements	-	5,880	-	5,880
Equipment	18,120	9,060	-	27,180
Total Accumulated Depreciation	<u>1,087,786</u>	<u>584,682</u>	<u>-</u>	<u>1,672,468</u>
Capital Assets, Depreciated, net	<u>15,002,516</u>	<u>201,708</u>	<u>-</u>	<u>15,204,224</u>
Governmental Capital Assets, Net	<u>\$ 15,374,389</u>	<u>\$ 301,385</u>	<u>\$ (371,873)</u>	<u>\$ 15,303,901</u>

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE 5: ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from August to July, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2023, were \$255,902. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the General Fund.

NOTE 6: LONG-TERM DEBT

Following is a summary of the Academy’s long-term debt transactions for the year ended June 30, 2023:

	<u>Balance</u> <u>June 30, 2022</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Due In</u> <u>One Year</u>
Revenue Bonds 2020AB	<u>\$ 17,695,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,695,000</u>	<u>\$ 350,000</u>

Revenue Bonds

In May 2020, the Colorado Educational and Cultural Facilities Authority (CECFA) issued \$17,695,000 Charter School Revenue Bonds (Series 2020). Proceeds from the bonds were used to purchase the Academy’s existing building. The Academy is obligated to make monthly lease payments to the Building Corporation for use of the building. The Building Corporation is required to make equal lease payments to the Trustee, for payment of the bonds. Interest accrued at rates ranging from 4.5% to 6.00% per annum and is paid monthly. Principal payments are due annually beginning June 1, 2024, with a balloon payment of \$16,795,000 due on June 1, 2027.

In January 2023, the Academy chose not to accept the second draw of the bond resulting in a revised repayment schedule. The accrued interest rates remain the same as wells as the conclusion of the debt repayment date.

Future debt service requirements are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 350,000	\$ 801,000	\$ 1,151,000
2025	270,000	780,525	1,050,525
2026	280,000	768,375	1,048,375
2027	<u>16,795,000</u>	<u>755,775</u>	<u>17,550,775</u>
Total	<u>\$ 17,695,000</u>	<u>\$ 3,105,675</u>	<u>\$ 20,800,675</u>

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 7: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

Pensions. The School participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description. Eligible employees of the School are provided with pensions through the SCHDTF—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly.

PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2022. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 7: DEFINED BENEFIT PENSION PLAN(Continued)

General Information about the Pension Plan (Continued)

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100% of highest average salary and cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the SCHDTF.

The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions provisions as of June 30, 2023: Eligible employees of, the School and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 11.00% of their PERA-includable salary during the period of July 1, 2022 through June 30, 2023.

Employer contribution requirements are summarized in the table below:

	July 1, 2022 Through June 30, 2023
Employer contribution rate	11.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)
Amount apportioned to the SCHDTF	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
Total employer contribution rate to the SCHDTF	20.38%

Contribution Contribution rates for the SCHDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the School were \$642,427 for the year ended June 30, 2023.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute a \$225 million (actual dollars) direct distribution each year to PERA starting on July 1, 2018.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. House Bill (HB) 22-1029, instructed the State treasurer to issue an additional direct distribution to PERA in the amount of \$380 million (actual dollars), upon enactment. The July 1, 2023, payment is reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, payment will not be reduced due to PERA’s negative investment return in 2022. Senate Bill (SB) 23-056, enacted June 2, 2023, requires an additional direct distribution of approximately \$14.5 million (actual dollars), for a total of approximately \$49.5 million (actual dollars) to be contributed July 1, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for the SCHDTF was measured as of December 31, 2022, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TPL to December 31, 2022. The Academy’s proportion of the net pension liability was based on the Academy’s contributions to the SCHDTF for the calendar year 2022 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2023, the Academy reported a liability of \$7,233,791 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity.

The amount recognized by the School as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the School were as follows:

The School’s proportionate share of the net pension liability	\$7,233,791
The State’s proportionate share of the net pension liability as a nonemployer contributing entity associated with the School.	2,107,999
Total	\$9,341,790

At December 31, 2022, the School’s proportion was .03973%, which was a decrease of .00475% from its proportion measured as of December 31, 2021.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the year ended June 30, 2023, the School recognized pension expense of \$163,616 and revenue of \$179,758 for support from the State as a nonemployer contributing entity. At June 30, 2023, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$68,460	N/A
Changes of assumptions or other inputs	128,134	N/A
Net difference between projected and actual earnings on pension plan investments	971,765	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	260,219	830,625
Contributions subsequent to the measurement date	320,091	N/A
Total	\$1,748,669	\$830,625

\$320,091 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	(\$144,431)
2025	(223,313)
2026	44,232
2027	356,233
2028	565,232

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 7: DEFINED BENEFIT PENSION PLAN(Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial assumptions. The TPL in the December 31, 2021, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation:	3.40%-11.00%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06 ¹	Financed by the AIR

¹ Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

The mortality tables described below are generational mortality tables developed on a benefit-weighted basis.

Pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

FIRESTONE CHARTER ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97% of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class.

These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation, and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	100.00%	

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%.

Discount rate. The discount rate used to measure the TPL was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 7: DEFINED BENEFIT PENSION PLAN(Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- HB 22-1029, effective upon enactment in 2022, required the State treasurer to issue, in addition to the regularly scheduled \$225 million (actual dollars) direct distribution, a warrant to PERA in the amount of \$380 million (actual dollars). The July 1, 2023, direct distribution is reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, direct distribution will not be reduced from \$225 million (actual dollars) due to PERA's negative investment return in 2022.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 7: DEFINED BENEFIT PENSION PLAN(Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the SCHDTF’s FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the School’s proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension	\$9,466,545	\$7,233,791	\$5,369,214

Pension plan fiduciary net position. Detailed information about the SCHDTF’s FNP is available in PERA’s ACFR which can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

Summary of Significant Accounting Policies

OPEB. The School participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees’ Retirement Association of Colorado (“PERA”). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

(Continued)

General Information about the OPEB Plan

Investments are reported at fair value.

Plan description. Eligible employees of the School are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 *et seq.* specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare health benefits program is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

(Continued)

General Information about the OPEB Plan (Continued)

PERA Benefit Structure

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

DPS Benefit Structure

The maximum service-based premium subsidy is \$230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

(Continued)

General Information about the OPEB Plan (Continued)

Contributions. Pursuant to Title 24, Article 51, Section 208(1) (f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02% of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from School were \$32,153 for the year ended June 30, 2023.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2023, the School reported a liability of \$246,458 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2022, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TOL to December 31, 2022. The School's proportion of the net OPEB liability was based on the School's contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

At December 31, 2022, the School's proportion was 0.0302%, which was an increase of 0.00013% from its proportion measured as of December 31, 2021.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

(Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

For the year ended June 30, 2023, the School recognized OPEB expense of \$92,684. At June 30, 2023, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$32	\$59,602
Changes of assumptions or other inputs	3,961	27,201
Net difference between projected and actual earnings on OPEB plan investments	15,053	86,803
Changes in proportion and differences between contributions recognized and proportionate share of contributions	22,431	2,101
Contributions subsequent to the measurement date	16,021	N/A
Total	\$57,498	\$175,707

\$16,021 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended:	
2024	\$4,956
2025	(\$38,340)
2026	(\$37,847)
2027	(\$29,316)
2028	(\$25,862)
Thereafter	(\$7,821)

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

(Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial assumptions. The TOL in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method			Entry age	
Price inflation			2.30%	
Real wage growth			0.70%	
Wage inflation			3.00%	
Salary increases, including wage inflation				
Members other than State Troopers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40%	N/A
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation			7.25%	
Discount rate			7.25%	
Health care cost trend rates				
PERA benefit structure:				
Service-based premium subsidy			0.00%	
PERACare Medicare plans			6.50% in 2022, gradually decreasing to 4.50% in 2030	
Medicare Part A premiums			3.75% in 2022, gradually increasing to 4.50% in 2029	
DPS benefit structure:				
Service-based premium subsidy			0.00%	
PERACare Medicare plans			N/A	
Medicare Part A premiums			N/A	

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The TOL for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health Department (TriCounty Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

Beginning January 1, 2022, the per capita health care costs are developed by plan option; based on 2022

premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the

UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Morbidity Assumptions

<u>Participant Age</u>	<u>Annual Increase (Male)</u>	<u>Annual Increase (Female)</u>
65-69	3.0%	1.5%
70	2.9%	1.6%
71	1.6%	1.4%
72	1.4%	1.5%
73	1.5%	1.6%
74	1.5%	1.5%
75	1.5%	1.4%
76	1.5%	1.5%
77	1.5%	1.5%
78	1.5%	1.6%
79	1.5%	1.5%
80	1.4%	1.5%
81 and older	0.0%	0.0%

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

(Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$1,704	\$1,450	\$583	\$496	\$1,923	\$1,634
70	\$1,976	\$1,561	\$676	\$534	\$2,229	\$1,761
75	\$2,128	\$1,681	\$728	\$575	\$2,401	\$1,896

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$6,514	\$5,542	\$4,227	\$3,596	\$6,752	\$5,739
70	\$7,553	\$5,966	\$4,901	\$3,872	\$7,826	\$6,185
75	\$8,134	\$6,425	\$5,278	\$4,169	\$8,433	\$6,657

The 2022 Medicare Part A premium is \$499 (actual dollars) per month.

All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

(Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2021, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates used to measure the TOL are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2022	6.50%	3.75%
2023	6.25%	4.00%
2024	6.00%	4.00%
2025	5.75%	4.00%
2026	5.50%	4.25%
2027	5.25%	4.25%
2028	5.00%	4.25%
2029	4.75%	4.50%
2030+	4.50%	4.50%

Mortality assumptions used in the December 31, 2021, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed on a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

Pre-retirement mortality assumptions for the State and Local Government Divisions (members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

(Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the School Division were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

(Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97% of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The following health care costs assumptions were updated and used in the roll-forward calculation for the HCTF:

- Per capita health care costs in effect as of the December 31, 2021, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2022 plan year.
- The December 31, 2021, valuation utilizes premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

(Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by PERA Board's actuary, as discussed above.

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the TOL, reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the results of the actuarial audit performed on the December 31, 2021, actuarial valuation.

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

(Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00 %	5.60%
Fixed Income	23.00 %	1.30%
Private Equity	8.50 %	7.10%
Real Estate	8.50 %	4.40%
Alternatives	6.00 %	4.70%
Total	100.00 %	

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%.

Sensitivity of the School's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate ¹	5.25%	6.25%	7.25%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$239,482	\$246,458	\$254,048

¹For the January 1, 2023, plan year.

Discount rate. The discount rate used to measure the TOL was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

(Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2022, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the HCTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

(Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of the School's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$285,718	\$246,458	\$212,878

OPEB plan fiduciary net position. Detailed information about the HCTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 9: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The School participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School may be required to reimburse the grantor government. As of June 30, 2023, significant amounts of grant expenditures have not been audited, but the School believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the School.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2023

NOTE 9: COMMITMENTS AND CONTINGENCIES (Continued)

Tabor Amendment

In November 1992, Colorado voters passed the Tabor Amendment to the State Constitution, which limits state and local government tax powers and imposes spending limitations. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. Revenue received in excess of the limitations may be required to be refunded. The School believes it has complied with the Amendment. As required by the Amendment, the School has established a reserve for emergencies. At June 30, 2023, the reserve of \$233,200 was recorded as a reservation of fund balance in the General Fund.

NOTE 10: DEFICIT NET POSITION

The School reported a deficit Net Position of the government type activities in the amount of \$3,694,119. This is due to the School including the Net Pension Liability per GASB No. 68 and the Net OPEB Liability per the requirements of GASB Statement No. 75.

NOTE 11: SUBSEQUENT EVENTS

Potential subsequent events were considered through November 7, 2023. It was determined that no events were required to be disclosed through this date.

REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2023

	2023			VARIANCE Positive (Negative)	2022 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Local Sources					
Per Pupil Revenue	\$ 5,813,716	\$ 5,804,369	\$ 5,809,113	\$ 4,744	\$ 5,459,407
Mill Levy Override	1,006,848	1,006,848	1,266,495	259,647	1,059,222
Tuition and Fees	382,100	382,100	631,640	249,540	431,106
Grants and Donations	-	-	39,986	39,986	149,209
Other	229,975	229,863	23,763	(206,100)	598,778
State and Federal Sources					
Grants and Donations	423,398	413,079	528,151	115,072	974,186
TOTAL REVENUES	<u>7,856,037</u>	<u>7,836,259</u>	<u>8,299,148</u>	<u>462,889</u>	<u>8,671,908</u>
EXPENDITURES					
Instruction					
Salaries	2,704,571	2,748,231	2,655,093	93,138	2,425,476
Employee Benefits	1,466,485	1,475,656	1,221,283	254,373	1,073,274
Purchased Services	147,212	167,212	208,232	(41,020)	120,917
Supplies and Materials	176,213	176,126	151,474	24,652	200,941
Property	43,586	43,586	49,549	(5,963)	37,519
Other	1,000	1,000	-	1,000	663
Total Instruction	<u>4,539,067</u>	<u>4,611,811</u>	<u>4,285,631</u>	<u>326,180</u>	<u>3,858,790</u>
Supporting Services					
School Administration					
Salaries	737,253	857,253	847,138	10,115	632,203
Employee Benefits	371,591	368,652	354,894	13,758	260,413
Purchased Services	1,926,770	1,966,220	1,935,116	31,104	1,487,952
Supplies and Materials	361,889	362,816	262,934	99,882	368,207
Property	195,000	197,000	167,789	29,211	631,883
Other	4,976	5,917	16,926	(11,009)	469,582
Total Supporting Services	<u>3,597,479</u>	<u>3,757,858</u>	<u>3,584,797</u>	<u>173,061</u>	<u>3,850,240</u>
TOTAL EXPENDITURES	<u>8,136,546</u>	<u>8,369,669</u>	<u>7,870,428</u>	<u>499,241</u>	<u>7,709,030</u>
CHANGE IN FUND BALANCE	(280,509)	(533,410)	428,720	962,130	962,878
FUND BALANCE, Beginning	<u>3,205,912</u>	<u>3,205,912</u>	<u>4,168,791</u>	<u>962,879</u>	<u>3,205,913</u>
FUND BALANCE, Ending	<u><u>\$ 2,925,403</u></u>	<u><u>\$ 2,672,502</u></u>	<u><u>\$ 4,597,511</u></u>	<u><u>\$ 1,925,009</u></u>	<u><u>\$ 4,168,791</u></u>

See the accompanying independent auditors' report.

FIRESTONE CHARTER ACADEMY

SCHEDULE OF THE SCHOOLS' PROPORTIONATE SHARE
SCHOOL DISTRICT TRUST FUND

Years Ended December 31,

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
School's proportionate share of the Net Pension Liability	0.039%	0.047%	0.048%	0.042%	0.049%	0.042%	0.412%	0.485%	0.445%	0.040%
	\$ 4,961,328	\$ 6,352,906	\$ 7,401,431	\$ 14,343,581	\$ 15,948,377	\$ 7,448,238	\$ 6,147,018	\$ 7,327,940	\$ 5,175,821	\$ 7,233,791
School's proportionate share of the Net Pension Liability	\$ 1,486,549	\$ 2,104,809	\$ 2,153,001	\$ 2,162,183	\$ 2,267,151	\$ 2,338,137	\$ 2,417,613	\$ 2,590,838	\$ 2,779,602	\$ 3,063,114
School's covered payroll										
School's proportionate share of the Net Pension Liability as a percentage of its covered payroll	333.7%	301.8%	343.8%	663.4%	703.5%	318.6%	254.3%	282.8%	186.2%	236.2%
Plan fiduciary net position as a percentage of the total pension liability	64.1%	62.8%	59.2%	43.1%	44.0%	57.0%	64.5%	67.0%	74.9%	61.8%

See the accompanying independent auditors' report.

FIRESTONE CHARTER ACADEMY

SCHEDULE OF THE SCHOOLS CONTRIBUTIONS
SCHOOL DISTRICT TRUST FUND

Years Ended June 30,

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Statutorily required contributions	\$ 322,095	\$ 367,378	\$ 404,061	\$ 425,305	\$ 463,008	\$ 470,506	\$ 479,288	\$ 534,759	\$ 581,543	\$ 642,427
Contributions in relation to the Statutorily required contributions	322,095	367,378	404,061	425,305	463,008	470,506	479,288	534,759	581,543	642,427
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School's covered payroll	\$ 1,866,813	\$ 2,037,811	\$ 2,153,001	\$ 2,170,036	\$ 2,326,870	\$ 2,338,137	\$ 2,473,106	\$ 2,689,944	\$ 2,925,263	\$ 3,152,237
Contributions as a percentage of covered payroll	17.25%	18.03%	18.77%	19.60%	19.90%	20.12%	19.38%	19.88%	19.88%	20.38%

See the accompanying independent auditors' report.

FIRESTONE CHARTER ACADEMY
 SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE
 SCHOOL DISTRICT TRUST FUND

Years Ended December 31,

	2016	2017	2018	2019	2020	2021	2022
School's proportionate share of the Net OPEB Liability	0.027%	0.028%	0.027%	0.268%	0.280%	0.280%	0.030%
School's proportionate share of the Net OPEB Liability	\$ 363,337	\$ 364,197	\$ 371,994	\$ 302,215	\$ 266,217	\$ 250,409	\$ 246,458
School's covered payroll	\$ 2,162,183	\$ 2,267,151	\$ 2,590,838	\$ 2,417,613	\$ 2,417,613	\$ 2,590,838	\$ 2,779,602
School's proportionate share of the Net OPEB Liability as a percentage of its covered payroll	16.8%	16.1%	14.4%	12.5%	11.0%	9.7%	8.9%
Plan fiduciary net position as a percentage of the total pension liability	16.7%	17.5%	17.0%	24.5%	32.8%	32.8%	38.6%

See the accompanying independent auditors' report.

FIRESTONE CHARTER ACADEMY
 SCHEDULE OF THE SCHOOL'S CONTRIBUTIONS
 SCHOOL DISTRICT TRUST FUND

Years Ended June 30,

	2017	2018	2019	2020	2021	2022	2023
Statutorily required contributions	\$ 22,134	\$ 23,734	\$ 23,851	\$ 25,226	\$ 27,437	\$ 29,837	\$ 32,153
Contributions in relation to the Statutorily required contributions	<u>22,134</u>	<u>23,734</u>	<u>23,851</u>	<u>25,226</u>	<u>27,437</u>	<u>29,837</u>	<u>32,153</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's covered payroll	\$ 2,170,036	\$ 2,326,870	\$ 2,338,137	\$ 2,473,106	\$ 2,689,944	\$ 2,925,263	\$ 3,152,237
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

See the accompanying independent auditors' report.

COMBINING SCHEDULES

FIRESTONE CHARTER ACADEMY

COMBINING BALANCE SHEET

June 30, 2023

	GENERAL FUND	PUPIL ACTIVITIES	TOTAL
ASSETS			
Cash	\$ 4,964,492	\$ -	\$ 4,964,492
Accounts Receivable	12,627	-	12,627
Prepaid Expenditures	33,405	-	33,405
	<u>33,405</u>	<u>-</u>	<u>33,405</u>
TOTAL ASSETS	<u>\$ 5,010,524</u>	<u>\$ -</u>	<u>\$ 5,010,524</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 40,176	\$ -	\$ 40,176
Accrued Salaries/Benefits	255,902	-	255,902
Due to District	12,221	-	12,221
Unearned Revenues	104,714	-	104,714
	<u>104,714</u>	<u>-</u>	<u>104,714</u>
TOTAL LIABILITIES	<u>413,013</u>	<u>-</u>	<u>413,013</u>
FUND BALANCES			
Nonspendable	33,405	-	33,405
Restricted for Emergencies	233,200	-	233,200
Unassigned	4,330,906	-	4,330,906
	<u>4,330,906</u>	<u>-</u>	<u>4,330,906</u>
TOTAL FUND BALANCES	<u>4,597,511</u>	<u>-</u>	<u>4,597,511</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,010,524</u>	<u>\$ -</u>	<u>\$ 5,010,524</u>

See the accompanying independent auditors' report.

FIRESTONE CHARTER ACADEMY

COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended June 30, 2023

	GENERAL FUND	PUPIL ACTIVITIES	TOTAL
REVENUES			
Local Sources			
Per pupil revenue	\$ 5,809,113	\$ -	\$ 5,809,113
Mill Levy	1,266,495	-	1,266,495
Tuition and Fees	601,430	30,210	631,640
Grants and Contributions	39,986	-	39,986
Other	23,763	-	23,763
State and Federal			
Grants and Contributions	528,151	-	528,151
TOTAL REVENUES	8,268,938	30,210	8,299,148
EXPENDITURES			
Current			
Salaries	3,495,031	7,200	3,502,231
Employee Benefits	1,576,177	-	1,576,177
Purchased Services	2,124,736	18,612	2,143,348
Supplies and Materials	410,195	4,213	414,408
Property	217,338	-	217,338
Other	16,741	185	16,926
TOTAL EXPENDITURES	7,840,218	30,210	7,870,428
NET CHANGE IN FUND BALANCES	428,720	-	428,720
FUND BALANCES, Beginning	4,168,791	-	4,168,791
FUND BALANCES, Ending	\$ 4,597,511	\$ -	\$ 4,597,511

See the accompanying independent auditors' report.